

## STATEMENT OF PURPOSE

### RS20419

Surplus line insurance is written by insurers not admitted to do business in the state of Idaho and typically involves risks of an unusual or unique character. The Nonadmitted and Reinsurance Reform Act ("NRRA") of 2010 was included as Subtitle B of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, Public Law 111-203. This legislation seeks to conform Idaho's Surplus Line law found in Title 41, Chapter 12, Idaho Code, to the NRRA provisions. Among other things, this legislation provides that premium tax will be paid on the entire property and casualty premium only when Idaho is the insured's home state. Prior to passage of the NRRA, premium tax was allocated and paid to multiple states whenever the risk was in more than one state. This legislation also designates parts of Idaho law which will apply to future surplus line insurance transactions in Idaho and exempts search requirements for admitted carrier coverage in certain circumstances.

### FISCAL NOTE

The NRRA redefined the amount of premium tax that can be collected by states. The precise fiscal impact of the NRRA to the General Fund is unknown, however, this legislation will allow Idaho the opportunity to retain a major part of the premium tax payments on surplus line insurance which has equaled approximately \$1 million per year under prior law.

**Contact:**

**Name:** Woody Richards

**Office:** Surplus Line Association

**Phone:** (208) 283-0334